

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Harvey R. Miller
Richard P. Krasnow
Lori R. Fife
Shai Y. Waisman
Jacqueline Marcus

Attorneys for Debtors
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	: Chapter 11 Case No.
	:
LEHMAN BROTHERS HOLDINGS INC., <i>et al.</i> ,	: 08-13555 (JMP)
	:
Debtors.	: (Jointly Administered)
	:
	:
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**NOTICE OF DEBTORS' MOTION PURSUANT TO SECTIONS 105(a), 345(b), 363(b),
363(c) AND 364(a) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 6003
AND 6004 (A) FOR AUTHORIZATION TO (i) CONTINUE USING EXISTING
CENTRALIZED CASH MANAGEMENT SYSTEM, AS MODIFIED, (ii) HONOR
CERTAIN PREPETITION OBLIGATIONS RELATED TO THE USE OF THE CASH
MANAGEMENT SYSTEM, AND (iii) MAINTAIN EXISTING BANK ACCOUNTS AND
BUSINESS FORMS; AND (B) FOR AN EXTENSION OF TIME TO
COMPLY WITH SECTION 345(b) OF THE BANKRUPTCY CODE**

PLEASE TAKE NOTICE that an interim hearing on the annexed Motion of
Lehman Brothers Holdings Inc. and its affiliated debtors in the above-referenced chapter 11
cases, as debtors and debtors-in-possession (collectively, the "Debtors"), pursuant to sections
105(a), 345(b), 363(b), 363(c) and 364(a) of chapter 11 of title 11 of the United States Code (the
"Bankruptcy Code") and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure

(the “Bankruptcy Rules”), (A) for authorization to (i) continue to use the Debtors’ centralized cash management system (the “Cash Management System”); (ii) honor certain prepetition obligations related to the Cash Management System; (iii) maintain and utilize existing bank accounts (the “Bank Accounts”) and business forms (the “Business Forms”); and (iv) modify the Cash Management System, including the closing of any existing Bank Account(s) and the opening of any new bank accounts, as may be necessary in connection with section 345 of the Bankruptcy Code; (B) for authorization and directing financial institutions to honor the Debtors’ request to open or close, as the case may be, the Bank Accounts or additional bank or investment accounts; (C) an extension of the time to comply with section 345(b) of the Bankruptcy Code, and (D) to schedule a final hearing granting the relief requested in the Motion on a final basis, all as more fully described in the Motion, will be held before the Honorable James M. Peck, United States Bankruptcy Judge, at the United States Bankruptcy Court, Alexander Hamilton Customs House, Courtroom 601, One Bowling Green, New York, New York 10004 (the “Bankruptcy Court”), on **October 16, 2008 at 10:00 a.m.** (Prevailing Eastern Time) or as soon thereafter as counsel may be heard (the “Hearing”).

PLEASE TAKE FURTHER NOTICE that any objection or response to the Motion must be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Rules for the United States Bankruptcy Court for the Southern District of New York, and shall be filed with the Bankruptcy Court electronically in accordance with General Order M-242 (General Order M-242 and the User’s Manual for the Electronic Case Filing System can be found at <http://www.nysb.uscourts.gov>, the official website for the Bankruptcy Court), by registered users of the Bankruptcy Court’s case filing system and, by all other parties in interest, on a 3.5 inch disk, preferably in Portable Document Format (PDF), WordPerfect or any other

Windows-based word processing format (with a hard-copy delivered directly to Chambers), and shall be served in accordance with General Order M-242, upon (i) the chambers of the Honorable James M. Peck, One Bowling Green, New York, New York 10004, Courtroom 601; (ii) Weil Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153, (Attn: Richard P. Krasnow, Esq., Lori R. Fife, Esq., Shai Y. Waisman, Esq., and Jacqueline Marcus, Esq.), attorneys for the Debtors; (iii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Andy Velez-Rivera, Paul Schwartzberg, Brian Masumoto, Linda Riffkin, and Tracy Hope Davis); (iv) Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005, (Attn: Dennis F. Dunne, Esq., Dennis O'Donnell, Esq., and Evan Fleck, Esq.), attorneys for the official committee of unsecured creditors appointed in these cases; (v) Cleary Gottlieb LLP, One Liberty Plaza, New York, NY 10006, (Attn: Lindsee P. Granfield, Esq. and Lisa Schweitzer, Esq.) and Sullivan & Cromwell LLP, 125 Broad Street, New York, NY 10004, (Attn: Robinson B. Lacy, Esq. and Hydee R. Feldstein, Esq.), attorneys for the Debtors' postpetition lenders; and (vi) any person or entity entitled to receive notice of the Motion in these cases, so as to be received no later than **October 14, 2008 at 5:00 p.m.** (Prevailing Eastern Time) (the "Objection Deadline").

PLEASE TAKE FURTHER NOTICE that if an objection to the Motion is not received by the Objection Deadline, the relief requested shall be deemed unopposed, and the Bankruptcy Court may enter an order granting the relief sought without a hearing.

PLEASE TAKE FURTHER NOTICE that objecting parties are required to attend the Hearing, and failure to appear may result in relief being granted or denied upon default.

Dated: October 3, 2008
New York, New York

/s/ Alfredo Perez
Harvey R. Miller, Esq.
Richard P. Krasnow, Esq.
Lori R. Fife, Esq.
Shai Y. Waisman, Esq.
Jacqueline Marcus, Esq.
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for Debtors
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New York, New York 10153
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**UNITED STATES BANKRUPTCY COURT
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Chapter 11 Case No.
08-13555 (JMP)
(Jointly Administered)

DEBTORS' MOTION PURSUANT TO SECTIONS 105(a), 345(b), 363(b), 363(c) AND 364(a) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 6003 AND 6004 (A) FOR AUTHORIZATION TO (i) CONTINUE USING EXISTING CENTRALIZED CASH MANAGEMENT SYSTEM, AS MODIFIED, (ii) HONOR CERTAIN PREPETITION OBLIGATIONS RELATED TO THE USE OF THE CASH MANAGEMENT SYSTEM, AND (iii) MAINTAIN EXISTING BANK ACCOUNTS AND BUSINESS FORMS; (B) FOR AN EXTENSION OF TIME TO COMPLY WITH SECTION 345(b) OF THE BANKRUPTCY CODE, AND (C) TO SCHEDULE A FINAL HEARING

TO THE HONORABLE JAMES M. PECK
UNITED STATES BANKRUPTCY JUDGE:

Lehman Brothers Holdings Inc. ("LBHI") and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (together, the "Debtors" and, collectively with their non-debtor affiliates, "Lehman"), file this Motion and respectfully represent:

Background

1. Commencing on September 15, 2008 and periodically thereafter (as applicable, the “Commencement Date”), LBHI and certain of its subsidiaries commenced with this Court voluntary cases under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors’ chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. On September 17, 2008, the United States Trustee for the Southern District of New York (the “U.S. Trustee”) appointed the statutory committee of unsecured creditors pursuant to section 1102 of the Bankruptcy Code (the “Creditors’ Committee”).

3. On September 19, 2008, a proceeding was commenced under the Securities Investor Protection Act of 1970 (“SIPA”) with respect to Lehman Brothers Inc. (“LBI”). A trustee appointed under SIPA (the “SIPC Trustee”) is administering LBI’s estate.

Jurisdiction

4. This Court has subject matter jurisdiction to consider and determine this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Lehman’s Business

5. Prior to the events leading up to these chapter 11 cases, Lehman was the fourth largest investment bank in the United States. For more than 150 years, Lehman has been a leader in the global financial markets by serving the financial needs of corporations, governmental units, institutional clients and individuals worldwide. Its headquarters in New

York and regional headquarters in London and Tokyo are complemented by a network of offices in North America, Europe, the Middle East, Latin America and the Asia Pacific region.

6. Additional information regarding the Debtors' business, capital structure, and the circumstances leading to this chapter 11 filing is contained in the Affidavit of Ian T.

Lowitt Pursuant to Rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York in Support of First-Day Motions and Applications, filed on September 15, 2008 [Doc. No. 2].

Relief Requested

7. To manage their businesses efficiently and seamlessly, Lehman utilizes a centralized cash management systems (collectively, the "Cash Management System") to collect and transfer the funds generated by its operations and disburse those funds to satisfy the obligations required to operate their businesses. The Cash Management System facilitates Lehman's cash monitoring, forecasting, and reporting, while ensuring compliance with various regulatory provisions. In connection with the Cash Management System, the Debtors maintain control over the administration of their bank accounts (the "Bank Accounts") located at the banks (the "Banks") listed on Exhibit A annexed hereto.

8. By this Motion, pursuant to sections 105(a), 345(b), 363(b), 363(c), and 364(a) of the Bankruptcy Code and Bankruptcy Rule 6004, the Debtors request (i) authority to continue to operate the Cash Management System, including to fund the operations of the Debtors and other Lehman entities in which the Debtors have an interest in the ordinary course of business, consistent with their prepetition practices, as modified herein, (ii) authority to honor certain prepetition obligations related to the use of the Cash Management System, (iii) authority to maintain existing business forms, (iv) an extension of time to comply with section 345 of the

Bankruptcy Code, and (iv) to schedule a final hearing granting the relief requested herein on a final basis.

I.

The Cash Management System

A. Prepetition Cash Management System

9. In the ordinary course of business prior to the Commencement Date, Lehman used the Cash Management System, which is similar to those utilized by other large companies, to collect, transfer, and distribute funds generated by Lehman's business operations efficiently. In the ordinary course of business, Lehman accurately recorded such collections, transfers, and disbursements as they were made.

10. LBHI has historically acted essentially as a central banker for Lehman, aggregating excess cash for investment and advancing money to certain subsidiaries to cover shortfalls, primarily through its main operating account at Citibank (the "Main Operating Account"). Given the complexity of the Cash Management System and the thousands of Lehman bank accounts, this Motion describes the highlights of the Cash Management System and does not discuss every Bank Account.

11. Not all of LBHI's subsidiaries operated under the Cash Management System. The subsidiaries described in this motion (the "Subsidiaries") are those that operate under the Cash Management Motion. Some Subsidiaries were highly integrated into the Cash Management System and dependent on LBHI, while others were less integrated and relied on LBHI only on occasion.¹ In addition, LBHI's role was different for its regulated Subsidiaries (generally broker-dealers) (the "Regulated Subsidiaries") and its unregulated Subsidiaries (the

¹ For example, Lehman Brothers Commercial Bank had its own sources of liquidity and generally managed its cash independently from LBHI with its own bank accounts.

“Unregulated Subsidiaries”). Lehman in most respects managed the Regulated Subsidiaries separately from LBHI and the Unregulated Subsidiaries.

(1) *Collection*

12. Historically, in the United States, LBHI generally collected cash through (i) the daily upstream of excess cash generated by its Unregulated Subsidiaries, (ii) occasional cash paydown of intercompany debt by its Regulated Subsidiaries,² (iii) interest income on investments and principal payments from maturity on investments, (iv) debt issuances, and (v) asset sale proceeds. This cash is collected into the Main Operating Account.

13. Many domestic Subsidiaries maintained their own bank accounts. Cash collected from the business operations of these Subsidiaries went into their own collection accounts (the “Subsidiary-Owned Accounts”). One such Subsidiary-Owned Account was an LBI operating account (the “LBI Operating Account”) that collected funds on behalf of most of the broker/dealer business. Certain domestic Subsidiaries, such as Debtor LB 745 LLC, did not maintain their own collection or disbursement bank accounts. Rather, collections on their behalf were made into collection accounts at other Lehman entities (the “Other Subsidiary Accounts”

² Regulated entities, such as LBI, cannot lend money to non-regulated affiliates like LBHI. As a consequence, LBHI has historically provided loans to the Regulated Subsidiaries, as necessary, in essence to prefund obligations that LBI was to pay on LBHI’s and the Unregulated Subsidiaries’ behalf. Therefore, LBI and the other Regulated Subsidiaries are generally in a debtor/borrower position (and never in a creditor position) vis-à-vis certain of the unregulated Lehman entities. As described below, LBI as paymaster made payments (e.g. payroll and vendor payments) on behalf of other entities; payments by LBI to third parties on behalf of LBHI generally decreased the intercompany payable (the loan) from LBI to LBHI. Lehman’s regulatory group required the intercompany payable to remain above a certain level. Approximately monthly, if the payable was in excess of the required level LBI used its cash to pay down the intercompany payable. Historically, LBI and the other regulated entities also transferred cash to LBHI as a dividend (however, in light of recent losses, no dividends were made recently).

and together with the Subsidiary-Owned Accounts, the “U.S. Subsidiary Collection/Disbursement Accounts”).

14. In Europe, the UK “branch” of LBHI (which is technically in the LBHI entity but operated out of a different office) served the same function as LBHI in the United States using Bank Accounts in Europe. Most European Subsidiaries did not maintain separate bank accounts. Rather, LBHI maintained Bank Accounts on behalf of those Subsidiaries in their native currency (the “LBHI Foreign Subsidiary Accounts”). Collections from those Subsidiaries, on account of revenues and debt proceeds, were made into these LBHI Foreign Subsidiary Accounts. For all European business conducted in U.S. currency, collections were directed into LBHI’s main U.K. operating account at Bank of America (the “UK Operating Account”). Several European Subsidiaries are currently in insolvency proceedings or administration, and it is unclear whether these Subsidiaries will continue to operate within the Cash Management System.

15. LBI also maintained bank accounts. Certain transactions, including derivative, futures, and foreign exchange transactions, of LBI and non-Debtor Lehman Brothers Commercial Corporation (the “LBI/LBCC Transactions”) settled into certain LBI bank accounts (the “LBI FX Accounts”). Similar transactions involving Lehman Brothers Special Financing Inc. and Lehman Brothers International Europe (the “LBSF/LBIE Transactions”) also settled into the LBI FX Accounts. However, as described below, the LBI/LBCC Transactions did not generally rely on LBHI funding, while the LBSF/LBIE Transactions did to some degree.

(2) *Concentration*

16. Cash from the Unregulated Subsidiaries is concentrated in the Main Operating Account. At the end of each business day, if the Unregulated Subsidiary ended the

day with a positive cash flow, the excess cash in the U.S. Subsidiary Collection/Disbursement Accounts was either swept into the Main Operating Account (and invested by LBHI in the manner described below) or held by the Unregulated Subsidiary. At the end of each day, if an Unregulated Subsidiary, had a negative cash position, LBHI funded the subsidiary by moving money from the Main Operating Account into the relevant U.S. Subsidiary Collection/Disbursement Account. For example, LBHI would fund shortfalls in cash or sweep excess cash generated from the accounts of Lehman Brothers Finance and Lehman Commercial Paper Inc.

17. The Regulated Subsidiaries on occasion up streamed cash to LBHI to pay down the intercompany debt (as long as the payable to LBHI was above the required level) or received money from LBHI to fund shortfalls.

18. Similarly, in Europe, the Main Operating Account swept daily excess cash from the UK Operating Account and funded daily cash shortfalls in the UK Operating Account. Excess cash in the LBHI Foreign Subsidiary Accounts was generally swept into the Main Operating Account, directly or indirectly, and the Main Operating Account generally funded daily cash shortfalls in the LBHI Foreign Subsidiary Accounts, directly or indirectly.

19. If the LBI/LBCC Transactions produced a positive cash flow in a particular day, the excess cash was transferred to an LBI bank account. Shortfalls in the LBI FX Accounts on account of the LBI/LBCC Transactions were funded through the LBI Operating Account. If the LBSF/LBIE Transactions produced a positive cash flow in a particular day, the excess cash was transferred to the UK Operating Account, except for excess cash from U.S. dollar transactions for LBSF, which was transferred to the Main Operating Account. Shortfalls

in the LBSF/LBIE Transactions were funded through the UK Operating Account, except for U.S. dollar transactions for LBSF, which were funded through the Main Operating Account.

20. In addition, LBHI occasionally funded subsidiaries outside of the United States and Europe as needed.

(3) *Disbursement*

21. LBI has historically been the “paymaster” for most of Lehman’s domestic operations. As such, much of Lehman’s (including the Debtors’) expenses (for example, payroll) were paid out of bank accounts of LBI (and not the Debtors’ Bank Accounts) the (“LBI Paymaster Accounts”). The LBI Paymaster Accounts were tied to sophisticated software and computer systems necessary to process payroll and accounts payable (the “Payroll/Payable System”). The LBI Paymaster Accounts were funded through the LBI Operating Account. Certain disbursements for some U.S. Subsidiaries were made out of the other U.S. Subsidiary Collection/Disbursement Accounts.

22. In Europe, LBHI has historically been the “paymaster” for most of the company’s European operations. Disbursements on account of the European Subsidiaries’ expenses in U.S. currency were made out of the UK Operating Account, while disbursements on account of the European Subsidiaries’ foreign currency expenses were made through the LBHI Foreign Subsidiary Accounts.

(4) *Intercompany Accounting*

23. The movement of cash between, as well as the payment of expenses on account of, the various legal entities was accounted for through intercompany accounting. The intercompany accounts reflect real debts that are due and owing among subsidiaries. In general, the intercompany accounts accrue interest and are reflected on the individual balance sheets of

the various subsidiaries. For example, if LBHI transferred cash to a bank account of Subsidiary X, the intercompany accounts recorded an intercompany payable in such amount from Subsidiary X to LBHI (and LBHI would have a corresponding intercompany receivable).

24. Many Lehman entities, including those that are valuable to the Debtors, could not function without the Cash Management System, particularly the transfer of cash from LBHI to fund those companies' operations on a particular day, which the Debtors intend to continue (as described below).

A. Proposed Postpetition Cash Management System

25. Given the complexity of the existing Cash Management System and the confusion and inefficiency that would be caused by trying to change it, the Debtors have determined to continue their prepetition cash management practices in the postpetition period to a large extent.

26. The status of the Cash Management System postpetition is complicated by two factors. First, on September 22, 2008, in accordance with an order of this Court, the Debtors and LBI sold a substantial part of their businesses to Barclays Capital Inc. ("Barclays"). In connection therewith, Barclays purchased much of the infrastructure relating to those businesses, including the Payroll/Payable System. In light of the integration of the sold businesses and the retained businesses, the Debtors and Barclays entered into a Transition Services Agreement (the "TSA") that provided for each party to provide certain necessary equipment and services to the other party for specified periods of time, including for Barclays to process the Debtors' payroll and payables on the Payroll/Payable System.³

³ For example, the TSA provides, in general terms, that each party shall have access to the other's Information System for ninety days, and Barclays shall provide LBHI with reasonable access to all former LBHI employees for a period of two years.

27. The second factor is the SIPA Proceeding, which put all LBI assets under the control of the SIPC Trustee. Because the Payroll/Payable System is connected to the LBI bank accounts and it will take some time for Barclays to establish its own bank accounts, Barclays is also affected by the SIPC Trustee's control over the LBI bank accounts.

28. The Debtors and the SIPC Trustee have accordingly worked diligently and cooperatively to coordinate certain of their efforts. Namely, to ensure minimal disruption to the Debtors' existing businesses and Barclays' newly acquired businesses, the Debtors and certain former Lehman personnel (now employees of Barclays) met with the SIPC Trustee on September 22, 2008, the business day following his appointment, to discuss coordination on various issues, including the Cash Management System. A task force of people representing the various interested groups was established to handle issues relating to the Cash Management System. The task force began meeting on September 23, 2008 and established a protocol for cash management issues.

29. The result of these meetings was the SIPC Trustee agreed that LBI could continue to serve as the paymaster for Lehman and Barclays until Lehman and Barclays establish their own bank accounts, on the condition that Lehman and Barclays prefund any amounts that LBI would pay as paymaster on behalf of those entities. In addition, the SIPC Trustee will review and approve all payments through LBI accounts. Other than the SIPC Trustee review, LBI will simply act as a pass-through intermediary and mere conduit in the Cash Management System.⁴ The Securities Investor Protection Corporation has been part of these discussions, and consents and agrees with this arrangement.

⁴ As a consequence of the sale of Lehman's broker-dealer business to Barclays and the coordinated transfer of LBI's subsidiaries out of the LBI corporate structure in exchange for a secured note payable from LBHI to LBI, LBI's expenses are primarily expenses of liquidation,

30. The Debtors are attempting to establish Bank Accounts that can be connected to the Payroll/Payable System as soon as possible, with the intent in the future to establish their own system for payroll and payables that is not connected to Barclays. If the Debtors are able to establish those Bank Accounts shortly, then Barclays will continue to process payroll and payables of the Debtors out of those Bank Accounts until the Debtors are able to function without the Payroll/Payable System. It may, however, take a while for the Debtors to establish Bank Accounts that can connect to the Payroll/Payable System, in which case Barclays, once it establishes its own bank accounts, will continue to process payroll and payables of the Debtor out of Barclays' bank accounts, as long as the Debtors prefund or reimburse Barclays for all such expenses. The Debtors will eventually set up their own Bank Accounts and systems for processing payroll and accounts payable and will no longer need the Barclays bank accounts or the Payroll/Payables System.

31. To the extent revenues from Lehman's unregulated businesses are insufficient to cover Lehman's expenses, the Debtors will fund those expenses through cash proceeds from the sale of the broker-dealer business to Barclays and other asset sales, which are located in LBHI's Bank Account at Barclays and LB 745's bank account at Barclays (collectively, the "Sale Proceeds Account"). The Cash in the Sale Proceeds Account will be transferred to the Main Operating Account in the Cash Management System.⁵ However, certain payments have been and will be made directly from the Sale Proceeds Account, as appropriate, rather than through the LBI paymaster accounts, as appropriate.

including recovering and marshalling assets and transferring securities customer accounts to other brokers and satisfying customer claims, paid under the supervision of the SIPC Trustee and the Securities Investor Protection Corporation.

⁵ Citibank has frozen most of the Debtors' accounts, including the Main Operating Account. The Debtors will not use the Main Operating Account until Citibank unfreezes it.

32. The prepetition intercompany accounts between each Debtor and each other entity will be frozen (i.e. the books will be closed) as of the applicable Commencement Date. Postpetition intercompany movement of cash and collection/disbursement activity will be accounted for in the same manner as it was prepetition under the supervision of Alvarez and Marsal. In addition, entities with postpetition intercompany receivables from the Debtors will be entitled to an administrative expense claim under section 503(b)(1) of the Bankruptcy Code in the same manner as other creditors that extend credit to the Debtors postpetition.

II.

Continuation of the Debtors' Centralized Cash Management System Is in the Best Interests of the Debtors, Their Estate, and All Parties in Interest

33. The Debtors' Cash Management System constitutes ordinary course, essential business practices providing significant benefits to the Debtors including, *inter alia*, the ability to (i) control corporate funds, (ii) ensure the availability of funds when necessary, and (iii) reduce costs and administrative expenses by facilitating the movement of funds and the development of more timely and accurate account balance information. Any disruption of the Cash Management System could have a severe and adverse impact upon the Debtors' value.

34. The Debtors will maintain their books and records relating to the Cash Management System to the same extent the books and records were maintained before the Commencement Date. In this way, all transfers and transactions will be properly documented, and accurate intercompany balances will be maintained. As a result, the Debtors will be able to accurately document and record the transactions occurring within the Cash Management System, including intercompany transfers, for the benefit of all parties in interest.

35. Based on the foregoing, the Debtors believe that maintenance of the existing Cash Management System is in the best interests of their estate and all parties in interest.

Therefore, the Debtors seek authority to maintain and use their Cash Management System during their chapter 11 cases.

36. Section 363(c)(1) of the Bankruptcy Code authorizes the debtors in possession to “use property of the estate in the ordinary course of business without notice or a hearing.” 11 U.S.C. § 363(c)(1). The purpose of section 363(c)(1) of the Bankruptcy Code is to provide a debtors in possession with the flexibility to engage in the ordinary course transactions required to operate their business without unneeded oversight by their creditors or the court. Med. Malpractice Ins. Ass’n v. Hirsch (In re Lavigne), 114 F.3d 379, 384 (2d Cir. 1997); In re Enron Corp., No. 01-16034 (ALG), 2003 WL 1562202, at *15 (Bankr. S.D.N.Y. Mar. 21, 2003); Chaney v. Official Comm. of Unsecured Creditors of Crystal Apparel, Inc. (In re Crystal Apparel, Inc.), 207 B.R. 406, 409 (S.D.N.Y. 1997). Included within the purview of section 363(c) is a debtors’ ability to continue the “routine transactions” necessitated by a debtors’ cash management system. Amdura Nat’l Distrib. Co. v. Amdura Corp. (In re Amdura Corp.), 75 F.3d 1447, 1453 (10th Cir. 1996). Accordingly, the Debtors seek authority under section 363(c)(1) of the Bankruptcy Code to continue the collection, concentration, and disbursement, including intercompany transfers, of cash pursuant to their Cash Management System described above.

37. To the extent the Debtors’ continued funding of non-debtors affiliates is out of the ordinary course of business, it is justified by the unique facts and circumstances of these cases. The Debtors’ most valuable asset is likely their equity interests in (and intercompany receivables from) their subsidiaries and affiliates. If the Subsidiaries are not funded and cannot meet their obligations, there is a strong likelihood that they will decrease substantially in value, causing great harm to the Debtors, their estates, and their creditors. As

such, it is in the best interests of the Debtors' estates for the Debtors to continue funding those subsidiaries they believe have value and the funding of which may benefit the Debtors' estates.

38. Section 363(b)(1) of the Bankruptcy Code provides, in pertinent part, that "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). Section 105(a) of the Bankruptcy Code further provides:

The court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title. No provision of this title providing for the raising of an issue by a party in interest shall be construed to preclude the court from, *sua sponte*, taking any action or making any determination necessary or appropriate to enforce or implement court orders or rules, or to prevent an abuse of process.

11 U.S.C. § 105(a).

39. As this Court has stated, "[w]here the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor's conduct." Comm. of Asbestos-Related Litigants v. Johns-Manville Corp. (In re Johns-Manville Corp.), 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986). When a valid business justification exists, the law vests the debtor's decision to use property out of the ordinary course of business with a strong presumption that "'in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company.'" Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.), 147 B.R. 650, 656 (S.D.N.Y. 1992) (quoting Smith v. Van Gorkom, 488 A.2d 858, 872 (Del. 1985)).

40. The Bankruptcy Code also provides a debtor in possession the freedom to obtain unsecured credit and incur unsecured debt in the ordinary course of business without notice and hearing. 11 U.S.C. § 364(a); see, e.g., In re Amdura Corp., 75 F.3d at 1453 (10th Cir.

1996); LNC Inv., Inc. v. First Fidelity Bank, 247 B.R. 38, 45 (S.D.N.Y. 2000); Mulligan v. Sobiech, 131 B.R. 917, 921 (S.D.N.Y. 1991). The Debtors, therefore, seek authorization, to the extent necessary, to obtain unsecured credit and incur unsecured debt in the ordinary operation of their Cash Management System.

41. The Court may exercise its equitable powers to grant the relief requested herein. Section 105(a) of the Bankruptcy Code empowers the Court to “issue any order, process, or judgment that is necessary to carry out the provisions of this title.” 11 U.S.C. § 105(a). Continuing the Cash Management System is vital to the efficient and economic administration of these chapter 11 cases, and the automatic transfers are necessary to allow meaningful use of the Cash Management System. Therefore, it is within the Court’s equitable power under section 105(a) to approve the continued use of the Cash Management System, as modified herein.

42. These procedures are similar to those employed by comparable corporate enterprises. Moreover, the relief requested herein is routinely granted in other chapter 11 cases.⁶ See, e.g., Lexington Precision Corp., Case No. 08-11153 (MG) (Bankr. S.D.N.Y. Apr. 2, 2008) [Doc. No. 25]; In re PRC, LLC, Case No. 08-10239 (MG) (Bankr. S.D.N.Y. Jan. 25, 2008) [Doc. No. 36]; Silicon Graphics, Inc., Case No. 06-10977 (BRL) (Bankr. S.D.N.Y. May 10, 2006) [Doc. No. 47], (Bankr. S.D.N.Y. July 19, 2006) [Doc. No. 375]; Atkins Nutritionals, Inc., Case No. 05-15913 (ALG) (Bankr. S.D.N.Y. Aug. 1, 2005) [Doc. No. 36]; In re Footstar, Inc., Case No. 04-22350 (ASH) (Bankr. S.D.N.Y. Mar. 3, 2004) [Doc. No. 43], (Bankr. S.D.N.Y. Mar. 31, 2004) [Doc. No. 250]; and In re Loral Space & Commc’ns LTD., Case No. 03-41710 (RDD)

⁶ Because of the voluminous nature of the unreported orders cited herein, they are not annexed to this Motion. Copies of these orders are available upon request of Debtors’ counsel, including at the hearing to consider the Motion.

(Bankr. S.D.N.Y. July 16, 2003) [Doc. No. 26]. Similar authorization is appropriate in these chapter 11 cases.

III.

**Honoring Certain Prepetition Obligations of the Debtors
Related to the Cash Management System Is in the Best Interests
of the Debtors, Their Estate, and All Parties in Interest**

43. In connection with their use of the Cash Management System, the Debtors incur periodic service charges and other fees to the Banks for the maintenance of the Cash Management System (the “Service Charges”). The Debtors are unaware of any unpaid prepetition Service Charges as of the Commencement Date. However, out of abundance of caution, the Debtors hereby request authority to pay the prepetition Service Charges, if any, that remain unpaid as of the Commencement Date. Payment of the prepetition Services Charges is in the best interests of the Debtors, their estates and all parties in interest as it will prevent any disruption to the Cash Management System. Because the Banks have setoff rights with respect to the Service Charges, payment of any prepetition Service Charges would not affect unsecured creditors and the issue of paying any prepetition Service Charges would just be a matter of timing.

44. Accordingly, by this Motion, the Debtors seek authority, pursuant to sections 105(a) and 363(b) of the Bankruptcy Code and Bankruptcy Rule 6003 and 6004 to pay, at the Debtors’ sole discretion, the prepetition Service Charges, if any. Based on the foregoing, Bankruptcy Rule 6003 has been satisfied.

45. Furthermore, the Debtors seek a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the stay of the order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h).

IV.

Section 345(b) of the Bankruptcy Code

46. Section 345 of the Bankruptcy Code governs a debtor's cash deposits during a chapter 11 case and authorizes deposits of money as "will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment." 11 U.S.C. § 345(a). For deposits that are not "insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States," section 345(b) requires the estate to obtain from the entity with which the money is deposited a bond in favor of the United States and secured by the undertaking of an adequate corporate surety, unless the Court for cause orders otherwise. 11 U.S.C. § 345(a)-(b). In the alternative, the estate may require the entity to deposit governmental securities pursuant to 31 U.S.C. § 9303. Section 9303 provides that when a person is required by law to give a surety bond, that person, in lieu of a surety bond, may provide a governmental obligation. 31 U.S.C. § 9303.

47. Lehman has historically deposited its excess cash nightly in overseas investment accounts. Many of these Banks refused to return the Debtors' overnight deposits immediately prior to the filing. As such, since the Commencement Date, the Debtors have not made any such investments. The Debtors have not yet determined whether their Bank Accounts are maintained at banks that have been approved by the U.S. Trustee as authorized bank depositories. Moreover, it is likely that some of their Bank Accounts contain funds in excess of the amounts insured by the Federal Deposit Insurance Corporation (the "FDIC"). To the extent funds in the Bank Accounts at Banks exceed the amounts insured by the FDIC, the Debtors believe that such amounts will be secure. Among other considerations, the Banks are highly

rated and secure federally chartered banks subject to supervision by federal banking regulators, and the Debtors generally retain the right to remove funds held at such banks.

48. Nonetheless, the Debtors propose to engage in discussions with the U.S. Trustee to determine what modifications, if any, to the Bank Accounts and other investment guidelines would be appropriate under the circumstances. Accordingly, the Debtors request a 30-day extension (or such additional time to which the U.S. Trustee may agree) of the time period in which to either come into compliance with section 345(b) of the Bankruptcy Code or to make other arrangements that would be acceptable to the U.S. Trustee. The Debtors believe that the benefits of the requested extension far outweigh any harm to the estate. See generally In re Serv. Merchandise Co., Inc., 240 B.R. 894 (Bankr. M.D. Tenn. 1999) (noting that some of the factors to consider in determining whether cause exists “for relief from the strictures of § 345(b)” is whether benefits to the debtors outweigh the harm, if any, to the estate).

49. If pursuant to the foregoing discussions with the U.S. Trustee, it shall become necessary to modify the Cash Management System, the Debtors request authority to make such modifications to the Cash Management System. The Debtors anticipate that the modifications to the Cash Management System may include, without limitation, the opening of new bank or investment accounts.

50. The Debtors request that the Court authorize and direct financial institutions to honor the Debtors’ request to open or close, as the case may be, the Bank Accounts or additional bank or investment accounts as may be necessary in connection with the foregoing.

V.

**Maintenance of the Debtors' Existing Bank
Accounts and Business Forms Is Warranted**

51. As part of the Cash Management System, the Debtors maintain numerous Bank Accounts. The Debtors routinely deposit and withdraw funds from the Bank Accounts by checks, wire transfers, and automated clearinghouse transfers.

52. Rigid adherence to the U.S. Trustee's "Operating Guidelines and Reporting Requirements For Debtors in Possession and Trustees" (the "Guidelines") would require, as of the Commencement Date, the closure of the Debtors' prepetition bank accounts, the opening of new accounts, and the immediate printing of new checks with a "Debtors in Possession" designation on them. The Debtors believe, however, that their transition to chapter 11 will be smoother, less costly, and more orderly, and disruption and harm to their Cash Management System will be minimized, if the Bank Accounts are continued following the commencement of these cases with the same account numbers; provided, however, that checks issued or dated prior to the Commencement Date will not be honored absent a prior order of the Court.

53. Unless otherwise ordered by this Court, no Bank shall honor or pay any check issued on account of a prepetition claim. The Banks may honor any checks issued on account of prepetition claims only where this Court has specifically authorized such checks to be honored. Furthermore, notwithstanding anything to the contrary in any other "first day" order or other order of this Court, the Debtors request the Banks be authorized to accept and honor all representations from the Debtors as to which checks should be honored or dishonored consistent with any order(s) of this Court, whether or not the checks are dated prior to, on, or subsequent to the Commencement Date. The Banks shall not be liable to any party for following the Debtors'

instructions or representations regarding which checks should be honored or for implementing the automatic transfer of funds between their Bank Accounts.

54. By preserving business continuity and avoiding disruption and delay to the Debtors' disbursement obligations, including payroll, that would necessarily result from closing the Bank Accounts and opening new accounts, all parties in interest, including employees, vendors, and customers, will be best-served. The confusion that would otherwise result, absent the relief requested herein, would ill-serve the Debtors' rehabilitative efforts.

55. Accordingly, the Debtors respectfully request authority to maintain the Bank Accounts in the ordinary course of business, to continue utilizing the Cash Management System to manage cash in a manner consistent with prepetition practices, and to pay any ordinary course bank fees that may be incurred in connection with the Bank Accounts or any other new bank account that may be opened pursuant to an order of this Court following the Commencement Date.

56. In addition, to minimize expenses, the Debtors further request they be authorized to continue to use their correspondence and business forms, including, but not limited to, purchase orders, multi-copy checks, letterhead, envelopes, promotional materials, and other business forms (collectively, the "Business Forms"), substantially in the forms existing immediately before the Commencement Date, without reference to their status as debtors in possession. Because most of the Debtors' payments were made out of LBI bank accounts, to the extent they use LBI bank accounts for payroll and vendor payments, they are requesting to continue to use LBI check stock; provided, however, that the Debtors shall commence marking "Debtors in Possession" and the chapter 11 case number under which these cases are being jointly administered on their own existing check stock and wire transfer instructions instead of

having new stock printed with such marking.⁷ The Debtors intend to open their own Bank Accounts. When they do so, they will order new check stock and shall print “Debtors in Possession” and the chapter 11 case number under which these cases are being jointly administered on the stock.

57. If the Debtors are not permitted to maintain and utilize their current Bank Accounts and their existing Business Forms, including the bank accounts and check stock of LBI and Barclays, the resultant prejudice will include significant (i) disruption to the Debtors’ ordinary financial affairs and business operations, (ii) delay in the administration of the Debtors’ estate, and (iii) cost to the estates to set up new systems, open new accounts, print new business forms, and print new checks.

58. In other chapter 11 cases, bankruptcy courts have recognized that strict enforcement of the requirement that a debtor in possession close their bank accounts does not serve the rehabilitative process of chapter 11. Accordingly, these courts have waived such requirements and replaced them with alternative procedures similar to those proposed here.⁸ See e.g., Lexington Precision Corp., Case No. 08-11153 (MG) (Bankr. S.D.N.Y. Apr. 2, 2008) [Doc. No. 25]; In re PRC, LLC, Case No. 08-10239 (MG) (Bankr. S.D.N.Y. Jan. 25, 2008) [Doc. No. 36]; Silicon Graphics, Inc., Case No. 06-10977 (BRL) (Bankr. S.D.N.Y. May 10, 2006) [Doc. No. 47], (Bankr. S.D.N.Y. July 19, 2006) [Doc. No. 375]; Atkins Nutritionals, Inc., Case No. 05-15913 (ALG) (Bankr. S.D.N.Y. Aug. 1, 2005) [Doc. No. 36]; In re Footstar, Inc., Case No. 04-22350 (ASH) (Bankr. S.D.N.Y. Mar. 3, 2004) [Doc. No. 43], (Bankr. S.D.N.Y. Mar. 31, 2004)

⁷ LBHI has check stock, but does not use it often.

⁸ Because of the voluminous nature of the unreported orders cited herein, they are not annexed to this Motion. Copies of these orders are available upon request of Debtors’ counsel, including at the hearing to consider the Motion.

[Doc. No. 250]; and In re Loral Space & Commc'ns LTD., Case No. 03-41710 (RDD) (Bankr. S.D.N.Y. July 16, 2003) [Doc. No. 26]. Similar authorization is appropriate in these chapter 11 cases.

59. Several of their Banks have been denying the Debtors access to information relating to their Bank Accounts (for example, information on which of their checks cleared, etc.) and the LBI bank accounts that the Debtors used prepetition. The Debtors request that the Court order that all Banks provide the Debtors with complete and unfettered access to information relating to their Bank Accounts and their Subsidiaries' bank accounts to the same extent as they had access prepetition.

The Relief Requested is Appropriate

60. Based upon the foregoing, the Debtors submit that the relief requested herein is essential, appropriate, and in the best interest of the Debtors' estates and creditors, and therefore, should be granted.

Notice

61. No trustee or examiner has been appointed in these chapter 11 cases. The Debtors have served notice of this Motion in accordance with the procedures set forth in the order entered on September 22, 2008 governing case management and administrative procedures for these cases [Doc. No. 285] on (i) the U.S. Trustee; (ii) the attorneys for the Creditors' Committee; (iii) the attorneys for the Debtors' postpetition lenders; (iv) the Securities and Exchange Commission; (v) the Internal Revenue Service; (vi) the United States Attorney for the Southern District of New York; (vii) the attorneys for the SIPC Trustee; and (viii) all parties who have requested notice in these chapter 11 cases. The Debtors submit that no other or further notice need be provided.

62. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as it deems just and proper.

Dated: October 3, 2008
New York, New York

/s/ Alfredo Perez
Harvey R. Miller
Richard P. Krasnow
Lori R. Fife
Shai Y. Waisman
Jacqueline Marcus

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for Debtors
and Debtors in Possession

EXHIBIT A

BANK ACCOUNTS

LBHI

Bank	Acct. Num.	Account Title
Bank of America, New York	6550-1-61536	LB HOLDINGS INC, UK BRANCH
Citibank	40615202	LBHI Main Operating Account
Citibank	3062-2222	Lehman Brothers Holdings Inc.
J.P. Morgan Chase & Co.	066-650682	Lehman Brothers Holdings Inc.
Citibank	3062-4711	Lehman Brothers Holdings Inc.
Australia and New Zealand Banking Group Limited	463034NZD00001	LB HOLDINGS INC, UK BRANCH
Citibank, A.S.	201492017	LB HOLDINGS INC, UK BRANCH
Citibank Rt.	201834007	LB HOLDINGS INC, UK BRANCH
Citibank, A.S.	91803003	LB HOLDINGS INC, UK BRANCH
DnB NOR Bank ASA	7966.02.01268	LB HOLDINGS INC, UK BRANCH
First National Bank	9015175	LB HOLDINGS INC, UK BRANCH
HSBC BANK PLC	400515 57401113	LB HOLDINGS INC, UK BRANCH
Israel Discount Bank	518-61-950092	LB HOLDINGS INC, UK BRANCH
Royal Bank of Canada	000022732758	LB HOLDINGS INC, UK BRANCH
Citibank Handlowy	PL0210301508000000300759009	LB HOLDINGS INC, UK BRANCH
Bank of America	6014-30058013	LB HOLDINGS INC, UK BRANCH
Bank of America	6064-20805010	LB HOLDINGS INC, UK BRANCH
Banco Nacional de Mexico S.A.	0009720006	Lehman Brothers Holdings Inc MXN FX Account
National Commercial Bank	88310027000106	LEHMAN BROTHERS HOLDINGS INC UK BRANCH
J.P. Morgan AG	611-16-00729	Lehman Brothers Holdings Inc UK Branch
SEB	5295-0017001256	LEHMAN BROTHERS HOLDINGS INC UK BRANCH
Citibank Pty Limited	0-206441-054	Lehman Brothers Holdings Inc UK Branch
ABN-AMRO	264100254726	LEHMAN BROTHERS HOLDINGS INC UK BRANCH
Landsbanki Islands	0100-27-090375	LEHMAN BROTHERS HOLDINGS INC (UK BRANCH)
HSBC Bank Middle East Ltd	021-110309-437	LBHIUK Funding Account
Ceskoslovenska Obchodni Banka AS	255030893	Lehman Brothers Holding Inc (UK Branch)
ZAO Citibank	40807810500501370001	LBHI (UK Branch)
HSBC Bank Kazakhstan	001-006873-175	LBHIUK
HSBC Bank Kazakhstan	001-006873-170	LBHIUK Cash USD
ING Sofia	BG56 INGB 9145 1002 4460 14	LBHIUK
Swedbank	17608	LBHIUK
Vilnius Bankas	LT22 7044 0600 0636 9498	LBHIUK
Hansabanka	LV37HABA0551021211699	LBHIUK
Citibank, N.A.	028 780 000000 0400557519 71	LBHIUK
Zagrebacka Banka	5180002060191	LBHIUK
Citibank, N.A.	11953788	LBHIUK
HSBC Bank Middle East Ltd	002-297299-200	LBHIUK

Citibank, N.A.	3046-6725	LBHI-Expat USD Account
Citibank	3856-9112	LBHI Flexible Spending
Citibank	3889-3991	LBHI CP Settlement Account
Citibank	4074-3925	LBHI Administrative Services Only
Bank One NA	7046324	LB Holdings Inc, UK Branch
Citibank		Lehman Brothers OTC Derivatives Inc.
Lehman Brothers Bank	10007987	LBHI-Trustee Of P & I For Various GNMA MBS
Lehman Brothers Bank	16003196	LBHI-Trustee Of Servicers' Escrow For GNMA MBS Cur
Lehman Brothers Bank	17004417	LB Futures Asset Management Company
Lehman Brothers Bank	508000142689	Trico VII Dealer Note Payments
Toronto Dominion Bank Financial Group	2501-0301924	Lehman Brothers Holding Inc.
Toronto Dominion Bank Financial Group	XXPlaceholderXX	Lehman Brothers Holding Inc.
Citibank	3054-5554	LBHI Bank Loans
J.P. Morgan Chase & Co.	066614864	LBHI-TRUSTEE OF P&I CUSTODIAL ACCT
J.P. Morgan Chase & Co.	066907527	LBHI-TRUSTEE OF P&I CUSTODIAL DISBURSEMENT ACCT
Bank of America, West Coast	12334-10604	Lehman Brothers Holdings Inc. Fed Funds
J.P. Morgan Chase	475-025970	Lehman Brothers Group Insurance Plan - MetLife Dental Program
Citibank	3057-3934	LBH Equity Deriv for the benefit of LBF NA
Mellon Bank NA	0224098	Lehman Brothers Holdings Inc. - Equipment
Mellon Bank NA	0224127	Lehman Brothers Holdings Inc. - Leasehold Improvements
Lehman Brothers Bank	508000162133	Lehman Brothers Holdings Inc.
Mellon Tr Co of NE	012-9533	Lehman Brothers Holdings Inc. - Piscataway Leasehold Improvements
Mellon Tr Co of NE	012-9605	Lehman Brothers Holdings Inc. - Piscataway Equipment
Lehman Brothers Bank	508000150211	LBHI as Agent for Boise Land & Timber II, LLC Collateral Account
J.P. Morgan Chase Bank, N.A.	2900113594	JP Morgan Chase Bank N.A., Lehman Brothers Holdings Inc., Cash Collateral Account.
HSBC Bank USA	0487667463	Lehman Brothers Holdings Inc.
Bank of America, New York	6550914465	Lehman Brothers Holdings Inc.
Spafid S.p.a.	1776/01	Lehman Brothers Holdings Inc
Standard Chartered Bank	ID0000062673	Lehman Brothers Co-Investment Group Cayman AIV I, L.P.
Standard Chartered Bank	ID0000062680	Lehman Brothers Co-Investment Capital Partners Cayman AIV I, L.P.
Standard Chartered Bank	ID0000062694	Lehman Brothers Co-Investment Partners Cayman AIV I, L.P.
J.P. Morgan Chase & Co.	LCE	Lehman Brothers Holdings Inc.
HSBC Bank USA	10-878-814	Lehman Brothers Holdings Inc. (Escrow Account - US Underwriters)
HSBC Bank USA	10-878-816	Lehman Brothers Holdings Inc. (Escrow Account - UK Underwriters)
J.P. Morgan Chase & Co.	753-881-366	Lehman Brothers Holdings Inc., by Tishman Speyer, as Agent
J.P. Morgan Chase & Co.	066-141-605	Holdings Check Swap
Citibank EAB Branch	002-056-893	Lehman Brothers Holdings Inc.
Lehman Brothers Bank	17004425	Lehman Brothers Holdings Inc.

Euroclear	24909	LBHI UK Tri-Party
Euroclear	24909	LBHI UK Tri-Party
Euroclear	24909	LBHI UK Tri-Party
Euroclear	24909	LBHI UK Tri-Party
Euroclear	24909	LBHI UK Tri-Party
J.P. Morgan Chase & Co.	LXH	Lehman Brothers Holding Inc. - Segregated
Lehman Brothers Asset Management	10-878-817	HSBC as trustee for Lehman Brothers Holdings Inc. (Trust Account - UK Underwriters)
ABN Amro/SEI Global Fund	ABN002721	ABN AMRO Global Liquidity Euro Fund
Pioneer Investments	LMB0000004	Plurifond
Merrimac Funds Group	3829	Lehman Brothers Holdings Inc.
Black Rock	24911	Lehman Brothers Holdings Inc.
Scudder Investments Service Company	240002335	Waterferry
Strong Capital Management	2490000859	Waterferry
J.P. Morgan Fleming Asset Management	5015137	Waterferry
Citigroup Asset Management	454329	Lehman Brothers Holdings Inc.
Nations Funds	4000161655	Waterferry
Prudential Mutual Fund Services	2808243303	Waterferry
Nations Funds	4000136616	Waterferry
One Group Mutual Funds	707002302	Lehman Brothers Holdings Inc.
Barclays Global Investors Funds	3599	Lehman Brothers Holdings Inc.
AMR Investment Services, Inc.	133216325	Waterferry
Black Rock	23644	Waterferry
Citigroup Asset Management	454329	Waterferry
Deutsche Bank Asset Management	168724629	Waterferry
Dreyfus Service Corporation	5100031514	Waterferry
Evergreen Investments Management Company, LLC	1009323568	Waterferry
Federated Investors, Inc.	4551148	Waterferry
Fidelity Investments	503380743	Waterferry
Merrill Lynch Investment Management	3386194	Waterferry
Phoenix Investment Partners	39073309	Waterferry
Merrill Lynch Investment Management	3386195	Waterferry
Merrill Lynch Investment Management	3386196	Waterferry
Morgan Stanley Investment Management Inc.	756001081	Waterferry
Scudder Investments Service Company	240002673	Waterferry
Merrill Lynch Investment Management	121	Lehman Brothers Holdings Inc.
Black Rock	16	Lehman Brothers Holdings Inc.
Wells Fargo Funds	2430000614	Waterferry
US Bancorp Asset Management, Inc.	9400051318	Waterferry
Lehman Brothers Asset Management	143122911-6	Waterferry
Northern Trust Corporation	8490010482	Lehman Brothers Holdings Inc.
The Reserve Funds	79933848	Waterferry
The Reserve Funds	79933849	Waterferry
Northern Trust Corporation	8450016588	Lehman Brothers Holdings Inc.
Northern Trust Corporation	8460010916	Lehman Brothers Holdings Inc.

Northern Trust Corporation	8470017836	Lehman Brothers Holdings Inc.
Northern Trust Corporation	8480012183	Lehman Brothers Holdings Inc.
Northern Trust Corporation	8860010314	Lehman Brothers Holdings Inc.
The Reserve Funds	80831931	Waterferry
Bank of New York	125735	Lehman Brothers Holdings Inc.
AMR Investment Services, Inc.	GE0000015-00	Waterferry
SunTrust Bank	7916865	Waterferry
UBS Global Asset Management	300285	Waterferry
The Reserve Funds	81713431	Waterferry
Lehman Brothers Asset Management	1000370	Lehman Brothers Holdings Inc.
Utendahl Capital Management, L.P.	1956-30088	Waterferry
The Reserve Funds	82981648	Waterferry
The Reserve Funds	82981649	Waterferry
Russell Investments	10468511	Lehman Brothers Holdings Inc.
National Bank of Kuwait	0800194390101	LBHIUK
Citibank	30775763	LBHI (UK Branch)
HSBC BANK PLC	59972077	LBHI AIG Escrow
HSBC BANK PLC	59972085	LBHI AIG Escrow
HSBC BANK PLC	59972093	LBHI AIG Escrow
HSBC BANK PLC	993316	LBHI AIG Escrow
J.P. Morgan Chase Bank, N.A.	32500601	LEHMAN BROTHERS HOLDINGS INC UK BRANCH
J.P. Morgan Chase Bank, N.A.	32500602	LEHMAN BROTHERS HOLDINGS INC UK BRANCH
J.P. Morgan Chase Bank, N.A.	32500603	LEHMAN BROTHERS HOLDINGS INC UK BRANCH
J.P. Morgan Chase Bank, N.A.	32500604	LEHMAN BROTHERS HOLDINGS INC UK BRANCH
J.P. Morgan Chase Bank, N.A.	32500605	LEHMAN BROTHERS HOLDINGS INC UK BRANCH
J.P. Morgan Chase Bank, N.A.	32500606	LEHMAN BROTHERS HOLDINGS INC UK BRANCH
J.P. Morgan Chase Bank, N.A.	32500607	LEHMAN BROTHERS HOLDINGS INC UK BRANCH
J.P. Morgan Chase Bank, N.A.	32500608	LEHMAN BROTHERS HOLDINGS INC UK BRANCH
J.P. Morgan Chase Bank, N.A.	32500609	LEHMAN BROTHERS HOLDINGS INC UK BRANCH
J.P. Morgan Chase Bank, N.A.	32500610	LEHMAN BROTHERS HOLDINGS INC UK BRANCH
J.P. Morgan Chase Bank, N.A.	32500611	LEHMAN BROTHERS HOLDINGS INC UK BRANCH
J.P. Morgan Chase Bank, N.A.	32500612	LEHMAN BROTHERS HOLDINGS INC UK BRANCH
J.P. Morgan Chase Bank, N.A.	32500613	LEHMAN BROTHERS HOLDINGS INC UK BRANCH
J.P. Morgan Chase Bank, N.A.	32500614	LEHMAN BROTHERS HOLDINGS INC UK BRANCH
J.P. Morgan Chase Bank, N.A.	32500615	LEHMAN BROTHERS HOLDINGS INC UK BRANCH
J.P. Morgan Chase Bank, N.A.	32500616	LEHMAN BROTHERS HOLDINGS INC UK BRANCH
J.P. Morgan Chase Bank, N.A.	32500617	LEHMAN BROTHERS HOLDINGS INC UK BRANCH
J.P. Morgan Chase Bank, N.A.	32500618	LEHMAN BROTHERS HOLDINGS INC UK BRANCH
J.P. Morgan Chase Bank, N.A.	37492601	LBHI UK Pledge 1
JP Morgan	37492603	Local Government Pension Institution Pledge (LBHIUK)

Bank of America, New York	7009761536	LBHIUK USD Automatch account
J.P. Morgan Chase Bank, N.A.	32500619	LEHMAN BROTHERS HOLDINGS INC UK BRANCH
Euroclear	24909	LBHI UK TRI PARTY
Euroclear	24909	LBHI UK TRI PARTY
Euroclear	24909	LBHI UK Tri-Party
DWS Group	C5846459	LB HOLDINGS INC, UK BRANCH
Deutsche Bank	L-002270	Deutsche Global Liquidity Series
Banca Intesa	IT19B0306912707073456886853	LBHI UK Nextra fund - MONEY FUND WASH ACCOUNT
JPM Fleming AM	ILS0000816	JPMF Euro Enhanced Yield Fund
Credit Lyonnais Asset Management	0000999109U cle 10	CLAM Eonia Investment
Standard Life Investments	10030	Money Market Funds
Deutsche DWS Investment SA	C6124599	Deutsche Asset Management
Pioneer Investments	1099266	Activest
Generali Asset Management SGR S.p.A.	386126	Generali Euro Short Term Yield Plus fund
Lehman Brothers Liquidity Fund Plc	1000260	Lehman Liquidity Fund: LBCF4
HSBC BANK PLC	0000860	HSBC Liquidity Plus Fund
HSBC BANK PLC	0000860	HSBC Liquidity Fund
ABN-AMRO	9785	ABN AMRO Interest Growth Fund
ABN-AMRO	ABN002721	ABN AMRO global Liquidity Funds
Lehman Brothers Liquidity Fund Plc	1000364	Lehman Brothers Capital Funding V
JP Morgan Administration Services Ireland (Ltd)	LEHA100231	LEHMAN BROTHERS HOLDINGS INC UK BRANCH
BlackRock	4236366	Blackrock Liquidity Fund
JP Morgan Asset Management (Europe) S.a.r.l	ILF0001952	JP Morgan Liquidity Fund
Morley Liquidity Funds Plc	00000733	Morley Sterling Liquidity Fund
Pioneer Investments	24462	Pioneer Institutional Fund 19
Northern Trust Global Investments	14117	Nothern Trust Liquidity Pool
BNP Asset Management London	101720	BNP Insticash EUR - LBHI

LB 745 LLC

Bank	Acct. Num.	Account Title
J.P. Morgan Chase & Co.	066-624436	LB 745 LLC Promissory Note

PAMI STATLER ARMS LLC

no bank accounts

CONTACT INFORMATION FOR BANKS

Bank	Relations hip Contact	Address	City	Sta te	Count ry	Zip	Phone	Fax	Email
ABN-AMRO [Royal Bank of Scotland]	Alan Davis	101 Park Avenue	New York	NY	USA	10178	203-618-6571		alan.davis@rbsgc.com
AMR Investment Services, Inc.	Mason Martin	601 Montgomery St, Ste 1800	SF	CA	USA	94111	415-248-5646		mason.martin@icdfunds.com
Australia and New Zealand Banking Group Limited	Vincent Sabatino	55 Collins Street	Melbourne	Victoria	Australia	3001	61 392 732 574	61 392 273 265	
Banca Intesa	Noemi Oslo	90 Queen Street	London		UK	EC4N1SA	44 0 20 7651 3174	44 0 20 7651 3207	noemi.oslo@bancaintesa.co.uk
Banco Nacional de Mexico S.A.	Katherine Lukas	388 Greenwich Street 24th Floor	New York	NY	USA	10013	212-816-6413	212-816-6296	katherine.lukas@citigroup.com
Bank of America	B. J. MAZZEL LA	335 Madison Avenue	New York	NY	USA	10017	(212) 503-7761	(212) 503-7030	bernadette.mazzella@bankofamerica.com
Bank of New York Dividend Trust	Terence R. Law	One Wall Street 41st Floor	New York	NY	USA	10286	212-635-6829	212-635-1194	terencelaw@bankofny.com
Bank One NA [JPMorgan Chase]	Mark Doctoroff	277 Park Avenue	New York	NY	USA	10017	212-622-1878		mark.g.doctoroff@jpmorgan.com
Barclays Global Investors Funds	Melissa Haave	45 Fremont Street	San Francisco	CA	USA	94105	415.402.4941	415.618.5728	melissa.haave@barclaysglobal.com
Black Rock	Carrie Murray	100 Bellevue Parkway	Wilmingon	DE	USA	19809	800-441-7450	302-797-2366	carrie.murray@blackrock.com
BNP Paribas	Frank Sodano	787 7th Ave.	New York	NY	USA	10019	212-841-2084	212-841-2717	frank.sodano@americas.bnpparibas.com
Ceskoslovenska Obchodni Banka AS	Timea Zimkova	Lehotskeho 3	Bratislava		Slovakia	81225	4217 5966 8418	4217 5966 8400	tzimkova@scob.sk
Citibank	Kate Lukas	388 Greenwich Street-22nd	New York	NY	USA	10013	(212) 816-6413		katherine.lukas@citigroup.com

Bank	Relationship Contact	Address	City	State	Country	Zip	Phone	Fax	Email
		Floor							
Citigroup Asset Management	Kate Lukas	388 Greenwich Street-22nd Floor	New York	NY	USA	10013	(212) 816-6413		katherine.lukas@citigroup.com
Credit Lyonnais Asset Management	Terry Grant	1301 Avenue of the Americas	New York	NY	USA	10019	212-261-7783	212-261-3401	tgrant@clamericas.com
Deutsche Bank	John Estrada	60 Wall Street, 28th Floor	New York	NY	USA	10005	(212) 250-1636	(212) 797-0343	john.estrada@db.com
DnB NOR Bank ASA	Elaine Christiansen	Stranden 21, Aker Brygge	Oslo		Norway	NO-0021	47 22 48 18 29	47 22 48 28 46	elaine.christiansen@dnb.no
Dreyfus Service Corporation	Lou Bazata	200 Park Avenue	New York	NY	USA	10166	516-338-3503	516-338-3642	n/a
DWS Group	Rainer Habisch	2 Boulevard Konrad Adenauer	Luxembourg			BP766	49 69 71909 8581	49 69 71909 8289	rainer.habisch@db.com
Euroclear	Julien Piron	1, Boulevard du Roi Albert II	Brussels		Belgium	B-1210	+32 2 326 2812	+32 2 326 2645	julien.piron@euroclear.com
Evergreen Investments Management Company, LLC	Sarah Ellen Henderson	200 Berkeley Street 18th floor	Boston	MA	USA	02116	(704)374.6869	(704)383.4960	shenderson@evergreeninvestments.com
Federated Investors, Inc.	Jennifer Skruch	5800 Corporate Drive	Pittsburgh	PA	USA	15237	(412) 358-2247		jskruch@federatedinv.com
Fidelity Investments	Marissa B. Hedge	500 Salem Street OS1N2	Smithfield	RI	USA	02917	973 401-1872	508-263-3979	Marissa.Hedge@fmr.com
First National Bank	Ms. Shonette Kruger	4 FirstPlace Bank, 5th floor	Johannesburg		South Africa	2001	27 11 371 7156	27 11 371 6765	shonette.kruger@fnbcorporate.co.za
Generali Asset Management SGR S.p.A.	Cinzia Montuoro	Direzione Commerciale - Roma	Rome		Italy		0039 065 0573349	0039 06 50573 405	Cinzia.Montuoro@AM.Generali.com

Bank	Relationship Contact	Address	City	State	Country	Zip	Phone	Fax	Email
Hansabank a	Mr. Ilze Kokorevica	Roma	Riga		Latvia		371 74445812	371 7444400	ilze.kokorevica@hansabanka.lv
HSBC	Paul Lopez	Italy	New York	NY	USA	10018	212-525-6662	212-525-8370	paul.lopez@us.hsbc.com
ING Sofia	Ms. Katya Maneva	12 Emil Bersinski	Sofia		Bulgaria		359 2 917 6584	359 2 917 65 78	katya.maneva@ingbank.com
Israel Discount Bank	Ken Walters	511 Fifth Avenue	New York	NY	USA	10017	(212) 551-8820		kwalters@idbny.com
J.P. Morgan Chase & Co.	Mark Doctoroff	277 Park Avenue	New York	NY	USA	10017	212-622-1878		mark.g.doctoroff@jpmorgan.com
Landsbanki Islands	Mr. BJORN SIGURDSSON	Laugavegur 77	Reykjavik		Iceland	155	(354) 560-6404	(354) 552-9882	bjorn.sigurdsson@landsbanki.is
Lehman Brothers Asset Management	Bob Swidey	125 High Street 17 Floor	Boston	MA	USA	02110-2704	+1 617 342 4259	646-834-0368	robert.swidey@lehman.com
Lehman Brothers Bank	Gail Stawicki	1000 North West Street, Suite 200 01 Floor	Wilmington	DE	USA	19801	+1 302 552 2110	212-520-9767	Gstawicki@lehmanbank.com
Lehman Brothers Liquidity Fund Plc	Bob Swidey	125 High Street 17 Floor	Boston	MA	USA	02110-2704	+1 617 342 4259	646-834-0368	robert.swidey@lehman.com
Mellon	Eddie Hubbard	110 Sherburn Road	Severna Park	MD	USA	21146	(410) 384-7224		hubbard.e@mellon.com
Merrill Lynch Investment Management	Joseph Conklin	800Scuders Mill Road	Plainsboro	NJ	USA	08536	609-282-6041		joseph_conklin@ml.com
Merrimac Funds Group	Robert Swidey	260 Franklin Street	Boston	Massachusetts	USA	02110	(617) 342 - 4259	(646) 834 - 0368	robert.swidey@lehman.com
Morgan Stanley Investment Management Inc.	Franco D'Urso Jr.	100 Front Street, 8th Floor	West Conshohocken	PA	USA	19428	+1 610 260-7381		Franco.D'Urso@morganstanley.com
Morley Liquidity	Colin Cookson	No. 1 Poultry	London	n/a	UK	EC2R	44 20 7809	44 20 7809 6543	colin.cookson@morleyfm.com

Bank	Relationship Contact	Address	City	State	Country	Zip	Phone	Fax	Email
Funds Plc						8EJ	6357		
National Bank of Kuwait	Rakan Al-Ghanim	P.O. Box 95	Safat	n/a	Kuwait	13001	965-259-5325	965-224-6977	rakang@nbk.com
National Commercial Bank	Sami Wafa	P.O. Box 3555, Jeddah 21481, Saudi Arabia			Saudi Arabia		966 (-2) - 6464025		s.wafa@alahli.com'
Nations Funds	jeff stallard	101 South Tryon Street	Charlotte	NC	USA	28255	704-388-1784	704-348-0866	jeff.stallard@columbianmanagement.com
Northern Trust Corporation	Scott Henderson	50 South LaSalle Street	Chicago	IL	USA	60675	(312) 444-5909	(312) 630-0717	SH59@NTRS.com
One Group Mutual Funds	Doug Applegate	1111 Polaris Parkway	Columbus	OH	USA	43271	877-691-1118	614-213-2302	
Phoenix Investment Partners	Lori Weller	101 Munson Street	Greenfield	MA	USA	01302-0088	800-243-1574 ext 4592	413-772-4592	lori.weller@phxinv.com
Pioneer Investments	Michael Curran	George Quay Plaza, Dublin 2	Dublin	n/a	Ireland	2	353 1 480 2107	353 1 449 5107	michael.curran@pioneerinvestments.com
Prudential Mutual Fund Services	Gerri McAteer	Two Gateway Center	Newark	New Jersey	USA	07102	(973) 367-9329		
Royal Bank of Canada	Alison Barnard	200 Bay Street	Toronto	Ontario	Canada	M5J 2J5	(416) 974-7735	(416) 974-8838	alison.barnard@rbc.com
Russell Investments	Matthew Clay	909 A. Street	Tacoma	WA	USA	98402	253-439-4750	253-779-1106	MClay@russell.com
Scudder Investments Service Company	John Larkin	One south Street	Baltimore	Maryland	USA	21202	800 730 1313		
SEB	Lasse Larsen	P.O. Box 2098	Copenhagen	n/a	Denmark	DK-1014	45 3376 1219	45 3376 1250	lasse.larsen@seb.dk
Spafid S.p.a.	Salvatore Guardino	Via Filodrammatici, 10	Milano	n/a	Italy		00 39 02 8829 826		salvatore.guardino@mediobanca.it
Standard Chartered Bank	Bill Huges	1 Madison Ave.	New York	NY	USA	10010	212-667-0355	(212) 667-0251	bill.huges@us.standardchartered
Standard Life Investments	Liz Davidson	1 George Street	Edinburgh	n/a	UK	EH2 2LL	0131 245 2984		

Bank	Relational Contact	Address	City	State	Country	Zip	Phone	Fax	Email
Strong Capital Management	Levi Lura	100 Heritage Reserve	Menomonee Falls	WI	USA	53051	800-733-2274		
SunTrust Bank	Patrick Mason	50 Hurt Plaza, Suite 1400	Atlanta	GA	USA	30303	404-581-1495		Patrick.Mason@truscocapital.com
Swedbank	Lena Hallen	8 Brunkebergstorg	Stockholm	n/a	Sweden	S-10534	46 (0)8 585 913 21	46 8 723 71 47	lena.hallen@swedbank.se
The Reserve Funds	Brandon Semilof	1250 Broadway	New York	NY	USA	10001	212-401-5731		Brandon_Semilof@reservefunds.com
Toronto Dominion Bank Financial Group	SHARON CARO	77 King Street West, 19th Floor	Toronto	Ontario	Canada	M5K 1A2	(416) 982-6579	(416) 982-7838	caros@tdcibg.com
UBS Global Asset Management	Raymond Otero	51 West 52nd St. 15th Floor	New York	NY	USA	10019	212-882-5917	212-882-5114	ray.otero@ubs.com
US Bancorp Asset Management, Inc.	Rochelle Genetti	800 Nicollet Mall	Minneapolis	MIN	USA	55402	612-303-3251	612-303-4210	rochelle.genetti@usbank.com
Utendahl Capital Management, L.P.	Terry Prince	30 Broad St. 21st Floor	New York	NY	USA	10004	646-438-2169		tprince@ucmpartners.com
Vilnius Bankas	Alma Kamarauskaitė	Gedimino Ave 12	Vilnius	n/a	Lithuania	LT-01103	370 5 2681109		alma.kamarauskaitė@seb.lt
Wells Fargo Funds	Michael Giese	90 South Seventh Street 7th Floor, MAC N9305-075	Minneapolis	MIN	USA	55402-3903	(612) 667-0509	(612) 667-7251	michael.j.giese@wellsfargo.com
Zagrebacka Banka	Igor Livojevic	Savska 60/4	Zagreb	n/a	Croatia	10000	38 51 630 5332	38 51 617 6275	igor.livojevic@zaba.hr

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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: **Chapter 11 Case No.**
: **08-13555 (JMP)**
: **(Jointly Administered)**
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In re
LEHMAN BROTHERS HOLDINGS INC., et al.,
Debtors.

**INTERIM ORDER PURSUANT TO SECTIONS 105(a), 345(b), 363(b), 363(c) AND
364(a) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 6003
AND 6004 (A) AUTHORIZING DEBTORS TO (i) CONTINUE TO USE
EXISTING CENTRALIZED CASH MANAGEMENT SYSTEM, AS
MODIFIED, (ii) HONOR CERTAIN PREPETITION OBLIGATIONS
RELATED TO THE USE OF THE CASH MANAGEMENT SYSTEM, AND (iii)
MAINTAIN EXISTING BANK ACCOUNTS AND BUSINESS FORMS; (B)
EXTENDING THE DEBTORS' TIME TO COMPLY WITH SECTION 345(b) OF THE
BANKRUPTCY CODE; AND (C) SCHEDULING A FINAL HEARING**

Upon the motion, dated October 3, 2008 (the "Motion"), of Lehman Brothers Holdings Inc. ("LBHI") and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors-in-possession (collectively, the "Debtors"), pursuant to sections 105(a), 345(b), 363(b), 363(c) and 364(a) of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), (A) for authorization to (i) continue to use the Debtors' centralized cash management system (the "Cash Management System"); (ii) honor certain prepetition obligations related to the Cash Management System; (iii) maintain and utilize existing bank accounts (the "Bank Accounts") and business forms (the "Business Forms"); and (iv) modify the Cash Management System, including the closing of any existing Bank Account(s) and the opening of any new bank accounts, as may be necessary in connection with section 345 of the Bankruptcy Code; (B) for authorization and directing financial institutions to honor the Debtors' request to open or close,

as the case may be, the Bank Accounts or additional bank or investment accounts; (C) an extension of the time to comply with section 345(b) of the Bankruptcy Code, and (D) to schedule a final hearing (the “Final Hearing”) granting the relief requested in the Motion on a final basis, all as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.); and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided in accordance with the procedures set forth in the order entered September 22, 2008 governing case management and administrative procedures [Doc. No. 285] to (i) the United States Trustee for the Southern District of New York (the “U.S. Trustee”); (ii) the attorneys for the Official Committee of Unsecured Creditors; (iii) the attorneys for the Debtors’ postpetition lenders; (iv) the Securities and Exchange Commission; (v) the Internal Revenue Service; (vi) the United States Attorney for the Southern District of New York; (vii) all parties who have requested notice in these chapter 11 cases; and (viii) all Banks listed on Exhibit A, and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion on an interim basis; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates and creditors, and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted on an interim basis; and it is further

ORDERED that the Debtors are authorized and empowered, pursuant to sections 105(a) and 363(c) of the Bankruptcy Code, to continue to manage their cash pursuant to the Cash Management System maintained by the Debtors prior to the commencement of their chapter 11 cases (the “Commencement Date”), as modified by this Order, and to collect, concentrate, and disburse cash in accordance with the Cash Management System, including intercompany funding; and it is further

ORDERED that the Debtors are authorized to continue to use bank accounts of Lehman Brothers Inc. and Barclays Capital Inc. as appropriate in conjunction with their Cash Management System; and it is further

ORDERED that pursuant to section 105(a) of the Bankruptcy Code, each of the banks listed on Exhibit A hereto (the “Banks”) are authorized and directed to continue to honor transfers as directed by the Debtors of funds among their Bank Accounts and to the Debtors; and it is further

ORDERED that the Debtors shall maintain accurate records of all transfers within the Cash Management System so that all postpetition transfers and transactions shall be adequately and promptly documented in, and readily ascertainable from, their books and records, to the same extent maintained by the Debtors prior to the Commencement Date; and it is further

ORDERED that the Debtors are authorized to: (i) designate, maintain and continue to use any or all of their existing Bank Accounts listed on Exhibit A, annexed to the Motion, in the names and with the account numbers existing immediately prior to the Commencement Date, (ii) deposit funds in and withdraw funds from such accounts by all usual means including, without limitation, checks, wire transfers, automated clearinghouse transfers and other debits, (iii) pay any bank fees or charges associated with the Bank Accounts, and (iv)

treat their prepetition Bank Accounts for all purposes as debtors in possession accounts; and it is further

ORDERED that except as otherwise provided in this Order, all financial institutions in which the Debtors maintain the Bank Accounts as of the commencement of their chapter 11 cases are authorized and directed to continue to maintain, service, and administer such Bank Accounts without interruption and in the usual and ordinary course, and to receive, process, honor and pay any and all checks, drafts, wires, or other transfers by the holders or makers thereof, as the case may be; provided, however, that nothing contained herein shall authorize any such financial institution to honor any check, draft, wire, or other transfer issued or dated prior to the Commencement Date, except as otherwise provided by further order of this Court; provided further, however, that any such financial institution may rely on the representations of the Debtors with respect to whether any check, draft, wire, or other transfer drawn or issued by the Debtors prior to the Commencement Date should be honored pursuant to an order of this Court, and such bank shall not have any liability to any party for relying on such representation by the Debtors as provided for herein; and it is further

ORDERED that with respect to those Bank Accounts which are not located in Banks that are Authorized Bank Depositories and with respect to any of their investments, the Debtors shall have 30 days (or such additional time as the U.S. Trustee may agree to) from the entry of this Order (the “Extension Period”) to either come into compliance with section 345(b) of the Bankruptcy Code or to make such other arrangements as agreed with the U.S. Trustee; and it is further

ORDERED, that nothing contained herein shall prevent the Debtors from opening any additional bank accounts, or closing any existing Bank Account(s) as it may deem necessary

and appropriate, and the Banks and other financial institutions are directed to honor the Debtors' request to open or close, as the case may be, such Bank Accounts or additional bank accounts; and it is further

ORDERED that the Debtors shall mark "Debtors in Possession" and the chapter 11 case number under which these cases are being jointly administered on their check stock, business form stock, and wire transfer instructions and shall not be required to order new stock with such marking until it exhausts their current stock; and it is further

ORDERED that, pursuant to section 364(a) of the Bankruptcy Code, the Debtors are authorized in connection with the ordinary course of their Cash Management System to obtain unsecured credit and incur unsecured debt in the ordinary course of business without notice and a hearing; and it is further

ORDERED that the Debtors are authorized to continue to use their Cash Management System to fund non-Debtors affiliates as they did prior to the Commencement Date; and it is further

ORDERED that the Banks are directed to provide the Debtors with access to information relating to the Bank Accounts and their Subsidiaries' bank accounts to the same extent as the access provided to the Debtors prepetition; and it is further

ORDERED that the Debtors are authorized, but not directed, to pay prepetition amounts outstanding as of the Commencement Date, if any, owed to the Banks as service charges for the maintenance of the Cash Management System; and it is further

ORDERED that Bankruptcy Rule 6003(b) has been satisfied; and it is further

ORDERED that notwithstanding any applicability of Bankruptcy Rules 6004(h),¹ 7062, or 9014, the terms and conditions of this Order shall be immediately effective and enforceable upon their entry; and it is further

ORDERED that notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rules 6004(a) are waived; and it is further

ORDERED that the Final Hearing to consider entry of an order granting the relief requested in the Motion on a final basis shall be held on _____, 2008 at __:00 __.m. (prevailing Eastern Time); and any objections to entry of such order shall be in writing, filed with the Court in accordance with General Order M-242, and served upon those parties entitled to receive service of objections under the Cash Management Order, in each case so as to be received no later than 4:00 p.m. (prevailing Eastern Time) on October __, 2008; and it is further

¹ Bankruptcy Rule 6004(h) is an interim bankruptcy rule adopted pursuant to standing General Order M-308 of the United States Bankruptcy Court for the Southern District of New York, signed on October 11, 2005 by Chief Judge Stuart M. Bernstein.

ORDERED that the Debtors shall serve this Order within three business days of their entry on (i) the U.S. Trustee, (ii) the attorneys for the Creditors' Committee, (iii) the attorneys for the Debtors' postpetition lenders, (iv) the Securities and Exchange Commission, (v) the Internal Revenue Service, (vi) the United States Attorney for the Southern District of New York, and (vii) the Banks listed on Exhibit A to the Motion; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation and/or interpretation of this Order.

Dated: October [__], 2008
New York, New York

UNITED STATES BANKRUPTCY JUDGE